

EXHIBIT C

LPG Conference Call Minutes

3/29/07 - LPG Conference Call - 9AM PST

Chair: Donna Cangelosi

Highlights:

- Donna mentions that she spoke with Darrell Schmidt, borrower on Clear Creek Plantation. She goes through the terms of the proposed payoff (investors get 100% UPB, no accrued interest, Compass defers fees but gets a back end piece). Uses this as an example of the types of deals that Compass is likely to cut with borrowers. Cautions the direct investors that early payoffs are less problematic and that the real haircuts will come with the later workouts.
- Donna mentions that she's been in talks with Chris Hammond, borrower for Marlton Square. Borrower feels that he's being strong-armed by Compass.
- Donna mentions a third-party buyout offer for Shamrock Tower at 88% and the 5% transfer/broker fee which Compass will collect. Tries to dissuade direct investors from accepting this offer, telling them that Hines has made an offer to purchase the property at full payoff.
- Donna mentions that Bob Russell is looking to settle Copper Sage at ~67%.
- Mentions that Silverpoint and DACA have both approached the LPG in an attempt to get the LPG to endorse their bids for Placer Vineyards. Mentions that Milanowski has apparently paid the property taxes on the property.
- Todd Hansen is aligned with the LPG. In response to an investor's question as to who Todd Hansen is, Donna mentions that "he's one of us."
- Scare tactics to increase membership: Donna mentions that many more borrowers will bring lawsuits against the Direct Lenders.
- LPG is in talks with Abel Godines, borrower for Lerin Hills. Donna mentions that the project is in danger of losing \$30MM in market value if it loses MUD approvals.

4/7/07 - LPG Conference Call

Chair: Donna Cangelosi

- Cangelosi: LSA gives direct lenders right to waive fees
- LPG trying to block approval license, in talks with Scott Bice at MLD
- Ulm: loan captains requesting co-lenders to sign elections to terminate Compass
- Bay Pompano - Bill Lilly has offered full payoff of principal and interest -- LPG is waiting to see what Compass proposes

4/11/07 - LPG Conference Call

Chair: Donna Cangelosi

- mentions that LPG has raised between \$600-700k
- Palm Harbor One - LPG believes that Compass will foreclose
- Gramercy Court - Tracy Suttles attempting to prevent assignment of rents from property
- Cangelosi mentions that LPG has drafted a new LSA which gives late fees and default interest to Direct Lenders
- Lerin Hills - borrower is attempting to stop auction
- Placer Vineyards - loan servicing rights no longer for sale, LPG believes collusion between Compass and Rob Charles

4/12/07 - LPG Conference Call

Chair: Robert Ulm

- Ulm states that Compass has breached fiduciary duty, direct lenders have cause to terminate Compass

4/16/07 - LPG Conference Call

Chair: Robert Ulm

- over \$400k in contributions

- loan captains - contacting fellow lenders
- says LPG has a strong basis for appealing bankruptcy plan
- Ulm references that many direct lenders have sent in election to terminate forms
- looking for friendly loan servicer with workout experience, well-funded servicer with ability to fund advances
- Donna and Robert have been interviewing loan servicers -- the potential loan servicer replacements want to know for which loans LPG has 51% elections to terminate

4/21/07 - LPG Conference Call

Chair: Robert Ulm

- Ulm mentions LPG sending out election forms to move loan servicing rights

4/22/07 - LPG Conference Call

Chair: Robert Ulm

- 700 members (1,000 legal vesting names)
- \$300-400MM in assets represented
- Ulm mentions that LPG has received sufficient election forms to terminate Compass on 20-30 loans
- loan captains have been advised to stop giving loan-specific info

4/26/07 - LPG Conference Call

Chair: Donna Cangelosi

- Donna encouraging DLs to send Bice an email urging him to prevent Compass from leaving the state of Nevada
- "grassroots movement" - LPG will encourage Bice to prevent Compass from leaving
- Donna mentions Silar's funding of Compass, knows that CapSource backed out
- Fiesta Oak Valley -- Donna thinks our exercising of call option on Fiesta Oak Valley where we buy out investors at full P&I is inconsistent with our waterfall
- Donna asks listeners to send in election forms sent to them by their loan captains
- discussing various options with various loan servicers

4/29/07 - LPG Conference Call

Chair: Donna Cangelosi & Robert Ulm

- appeal on May 3
- First Trust Deed Fund - investors recently received a one-third distribution, think will be closed out by the summer
- Compass status reports - LPG thinks we plan to take fees based on how our reports are written
- Gary Miller, Dominique Naylon
- Cangelosi: loan captains working hard to solicit direct lenders to reach 51% commitment on as many loans as possible, sending out election forms, asking lenders to sign election forms
- met with Howard Justus, LPG would support movement of full loan servicing rights to DACA
- DACA provides LPG with litigation report in appeal process
- Justus: we want Fiesta Oak Valley
- Compass response: buy out 51% of interests and will continue servicing loan
- LPG happy with the Compass buyout, coming up with a strategy to force us to buy out LPG members in future buyouts
- 3 legal teams: California, New York, Nevada
 - o just hired NY legal team on Friday -- LPG trying to determine laws governing loan-servicing laws in NY
- LPG thinks CP either needed to get a NV license or a waiver if CP wants to move out of state
- LPG thinks we withdrew app b/c we thought we were going to be denied and didn't want to give them more ammunition in the courts

- MLD has just completed audit and found Compass to be unlicenseable?
- Donna references APA, saying that MLD can force us to remain in state
- Donna is saying that MLD is reluctant to do so
- Donna is calling out Bice, saying it's the MLD's fault for not properly scrutinizing USA Capital
- direct investor: says he spoke with Scott Bice, who said he didn't think he had the authority to make Compass to stay in state -- Bice is deferring to the attorney general
 - o attorney general - Catherine Cortez Masto:
 - o website: ag.state.nv.us
 - o email: aginfo@ag.state.nv.us
- LPG trying very hard to get state regulators involved, wants to get in touch with office that counsels Scott Bice
- Donna is saying that James Reed called her a few weeks ago? (4/19/07) She says he just wanted her to know that he's now with Compass
- 5055 Collwood conference call
 - o Mark O. kept saying we would honor the LSAs
- Fox Hills/Eagle Meadows
 - o thinks we bought the trust deed on the land that controls the water rights -- LPG says that's a breach? no credit for preservation of collateral value
 - o borrower wants to bring in a replacement lender
- appeal ending in district court
 - o pre-paid interest is not a legal maneuver permitted under BK, must go through fraudulent transfer proceeding
 - o cannot take post-petition funds and apply towards pre-petition debt
 - o BK plan: declassification of executory contracts (cannot be assigned unless breach is cured) to non-executory contracts
 - o trying to freeze funds in USA Capital operating account
 - o can a plan be partially stayed?
- FOV buyouts - prepaid interest deduction
- if prepaid interest is not paid in 2 years the lenders will be sued?
- trying to get Vindrauga in appeal?
- lender liability lawsuits
- Lerin Hills - Compass threw project into foreclosure
- Donna: Compass is not a secured creditor
- Copper Sage - thinks Russell will drop lawsuit against DLs
- Palm Harbor - LPG wants to go after the funds we applied towards origination fee
- LPG thinks we've already done enough for them to move loans to another servicer
- Milanowski looking for financing to take out lenders in Placer Vineyards and Bundy Canyon?

5/6/07 - LPG Conference Call

Chair: Robert Ulm & Donna Cangelosi

- Platinum offer on SVRB
- Howard Justus is on the line
- loan captain call tonight
- Compass Lawsuit
 - o sued 6 loan captains
 - o LPG says they expected this
 - o LPG says is a frivolous lawsuit
 - o John Edwards called Donna on Friday for comments before lawsuit went public
 - o Donna thinks we chose loan captains randomly
 - o notable that we filed lawsuit in state court (not Riegle's court) -- LPG wants to determine whether that is the best venue for them
 - o only two loan captains in NV, other four captains are in other states
 - o thinks Compass doesn't have a venue in Riegle's courtroom
 - o thinks this opens the door for countersuits

- 5/7/07 - going to district court for appeals
 - o Dean Kirby (HoJo's atty) had some participation in appeal previously
 - o LPG filing Motion to Stay -- to keep professionals from spending more money
 - o Mesirow trying to get \$2.5MM success fee
 - o LPG does not anticipate being successful?
 - o they are asking for partial stay of bankruptcy plan
 - o LPG using this as an opportunity to "educate judges?"
- NV MLD
 - o LPG pushing MLD to audit Mesirow/USA Capital and Compass? -- Donna says findings are very favorable for them
 - o LPG met with state Atty General in Carson City -- she appeared willing to help LPG
 - o State regulates only operations in NV
 - o LPG trying to determine to what extent Compass is operating NV?
- 75% in Fox Hills and Eagle Meadows have accepted deal offered from Kent Hoggan?
 - o LPG is sending letter to Compass - 100% principal + ~95% interest
 - o LPG can't pressure Hoggan to increase payoff b/c scared of interfering with Compass' relations with borrower
- appeal on issue of executory contracts - tomorrow in court
- LPG believes about we would exercise the call option on 25% of the loans in the portfolio due to high accrued fees and excess collateral value
- appeal will take place in Judge Jones' court
- 51% - LPG will try to direct us as to which DLs will be bought out when we exercise our call option
- LPG money will be using funds raised to defend those named in lawsuit
- they are asking for more money, fundraising has slowed down
- Donna keeps touting Shamrock Tower, saying it a great project, that the value is there